

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SHARKEY TO INTERROGATORY OF
UNITED PARCEL SERVICE
(UPS/USPS-T33-67)

The United States Postal Service hereby provides a revised response of witness Sharkey to the following interrogatory of United Parcel Service: UPS/USPS-T33-67, filed on September 17, 1997. The original response was filed on October 1, 1997. The revision consists of a minor change to the text and table included in the response. The revision reflects a cost change identified in the response of witness Patelunas to interrogatory UPS/USPS-T-33, redirected from witness Sharkey.

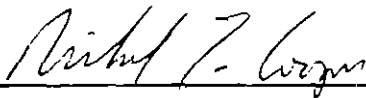
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



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October 6, 1997

**Revised Response of Postal Service
Witness Sharkey to UPS Interrogatories**

Revised 10/06/97

UPS/USPS-T33-67. Please confirm that the attached table (Attachment 2) accurately portrays the unit costs for Priority Mail by zone and weight. If not confirmed, please provide accurate numbers and explain how those numbers are derived.

Response:

Not confirmed. The attached table of allocated cost by zone and weight was derived by removing the markup from the initial set of rates provided in response to UPS/USPS-T33-39. *Note: The underlying costs reflect revisions to USPS-T33, Tables 6 and 7, USPS-33N and Q (filed 10/06/97).*

Unit Costs for Priority Mail by Zone and Weight

Flat rate	1	2	3	4	5	6	7	8
1	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63
2	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63	\$ 1.63
3	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14	\$ 2.14
4	\$ 2.47	\$ 2.47	\$ 2.47	\$ 2.47	\$ 2.47	\$ 2.47	\$ 2.47	\$ 2.47
5	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79	\$ 2.79
6	\$ 2.41	\$ 3.08	\$ 3.24	\$ 3.69	\$ 3.96	\$ 4.67		
7	\$ 2.82	\$ 3.42	\$ 3.59	\$ 4.11	\$ 4.43	\$ 5.28		
8	\$ 2.82	\$ 3.74	\$ 3.93	\$ 4.53	\$ 4.84	\$ 5.84		
9	\$ 3.03	\$ 4.06	\$ 4.28	\$ 4.95	\$ 5.38	\$ 6.43		
10	\$ 3.24	\$ 4.38	\$ 4.63	\$ 5.37	\$ 5.82	\$ 7.01		
11	\$ 3.44	\$ 4.70	\$ 4.97	\$ 5.79	\$ 6.29	\$ 7.59		
12	\$ 3.65	\$ 5.02	\$ 5.32	\$ 6.21	\$ 6.78	\$ 8.16		
13	\$ 3.86	\$ 5.34	\$ 5.66	\$ 6.63	\$ 7.22	\$ 8.76		
14	\$ 4.07	\$ 5.67	\$ 6.01	\$ 7.05	\$ 7.69	\$ 9.35		
15	\$ 4.27	\$ 5.98	\$ 6.36	\$ 7.47	\$ 8.16	\$ 9.93		
16	\$ 4.48	\$ 6.31	\$ 6.70	\$ 7.89	\$ 8.62	\$ 10.52		
17	\$ 4.69	\$ 6.63	\$ 7.05	\$ 8.31	\$ 9.08	\$ 11.10		
18	\$ 4.89	\$ 6.95	\$ 7.39	\$ 8.73	\$ 9.56	\$ 11.69		
19	\$ 5.10	\$ 7.27	\$ 7.74	\$ 9.15	\$ 10.02	\$ 12.27		
20	\$ 5.31	\$ 7.60	\$ 8.09	\$ 9.57	\$ 10.48	\$ 12.85		
21	\$ 5.51	\$ 7.92	\$ 8.43	\$ 9.99	\$ 10.95	\$ 13.44		
22	\$ 5.72	\$ 8.24	\$ 8.78	\$ 10.41	\$ 11.41	\$ 14.02		
23	\$ 5.93	\$ 8.56	\$ 9.12	\$ 10.83	\$ 11.88	\$ 14.61		
24	\$ 6.14	\$ 8.88	\$ 9.47	\$ 11.25	\$ 12.35	\$ 15.19		
25	\$ 6.34	\$ 9.20	\$ 9.82	\$ 11.67	\$ 12.81	\$ 15.78		
26	\$ 6.55	\$ 9.52	\$ 10.18	\$ 12.09	\$ 13.28	\$ 16.36		
27	\$ 6.76	\$ 9.85	\$ 10.51	\$ 12.51	\$ 13.74	\$ 16.94		
28	\$ 6.96	\$ 10.17	\$ 10.85	\$ 12.93	\$ 14.21	\$ 17.53		
29	\$ 7.17	\$ 10.49	\$ 11.20	\$ 13.35	\$ 14.67	\$ 18.11		
30	\$ 7.38	\$ 10.81	\$ 11.55	\$ 13.77	\$ 15.14	\$ 18.70		
31	\$ 7.59	\$ 11.13	\$ 11.89	\$ 14.19	\$ 15.61	\$ 19.28		
32	\$ 7.79	\$ 11.45	\$ 12.24	\$ 14.61	\$ 16.07	\$ 19.87		
33	\$ 8.00	\$ 11.77	\$ 12.56	\$ 15.03	\$ 16.54	\$ 20.45		
34	\$ 8.21	\$ 12.10	\$ 12.90	\$ 15.45	\$ 17.00	\$ 21.04		
35	\$ 8.41	\$ 12.42	\$ 13.27	\$ 15.87	\$ 17.47	\$ 21.62		
36	\$ 8.62	\$ 12.74	\$ 13.62	\$ 16.29	\$ 17.93	\$ 22.20		
37	\$ 8.83	\$ 13.06	\$ 13.97	\$ 16.71	\$ 18.40	\$ 22.79		
38	\$ 9.03	\$ 13.38	\$ 14.31	\$ 17.13	\$ 18.87	\$ 23.37		
39	\$ 9.24	\$ 13.70	\$ 14.66	\$ 17.55	\$ 19.33	\$ 23.96		
40	\$ 9.45	\$ 14.02	\$ 15.00	\$ 17.97	\$ 19.80	\$ 24.54		
41	\$ 9.66	\$ 14.35	\$ 15.35	\$ 18.39	\$ 20.26	\$ 25.13		
42	\$ 9.86	\$ 14.67	\$ 15.70	\$ 18.81	\$ 20.73	\$ 25.71		
43	\$ 10.07	\$ 14.99	\$ 16.04	\$ 19.23	\$ 21.20	\$ 26.29		
44	\$ 10.28	\$ 15.31	\$ 16.39	\$ 19.65	\$ 21.66	\$ 26.88		
45	\$ 10.48	\$ 15.63	\$ 16.73	\$ 20.07	\$ 22.13	\$ 27.46		
46	\$ 10.69	\$ 15.95	\$ 17.06	\$ 20.49	\$ 22.59	\$ 28.05		
47	\$ 10.90	\$ 16.27	\$ 17.43	\$ 20.91	\$ 23.06	\$ 28.63		
48	\$ 11.11	\$ 16.60	\$ 17.77	\$ 21.33	\$ 23.52	\$ 29.22		
49	\$ 11.31	\$ 16.92	\$ 18.12	\$ 21.75	\$ 23.99	\$ 29.80		
50	\$ 11.52	\$ 17.24	\$ 18.46	\$ 22.17	\$ 24.46	\$ 30.39		
51	\$ 11.73	\$ 17.56	\$ 18.81	\$ 22.59	\$ 24.92	\$ 30.97		
52	\$ 11.93	\$ 17.88	\$ 19.16	\$ 23.01	\$ 25.39	\$ 31.55		
53	\$ 12.14	\$ 18.20	\$ 19.50	\$ 23.43	\$ 25.85	\$ 32.14		
54	\$ 12.35	\$ 18.52	\$ 19.85	\$ 23.85	\$ 26.32	\$ 32.72		
55	\$ 12.56	\$ 18.85	\$ 20.19	\$ 24.27	\$ 26.79	\$ 33.31		
56	\$ 12.78	\$ 19.17	\$ 20.54	\$ 24.69	\$ 27.25	\$ 33.89		
57	\$ 12.97	\$ 19.49	\$ 20.89	\$ 25.11	\$ 27.72	\$ 34.48		
58	\$ 13.18	\$ 19.81	\$ 21.23	\$ 25.53	\$ 28.16	\$ 35.06		
59	\$ 13.38	\$ 20.13	\$ 21.56	\$ 25.95	\$ 28.63	\$ 35.65		
60	\$ 13.59	\$ 20.45	\$ 21.92	\$ 26.37	\$ 29.11	\$ 36.23		
61	\$ 13.80	\$ 20.77	\$ 22.27	\$ 26.79	\$ 29.58	\$ 36.81		
62	\$ 14.00	\$ 21.10	\$ 22.62	\$ 27.21	\$ 30.05	\$ 37.40		
63	\$ 14.21	\$ 21.42	\$ 22.96	\$ 27.63	\$ 30.51	\$ 37.98		
64	\$ 14.42	\$ 21.74	\$ 23.31	\$ 28.05	\$ 30.98	\$ 38.57		
65	\$ 14.63	\$ 22.06	\$ 23.65	\$ 28.47	\$ 31.44	\$ 39.15		
66	\$ 14.83	\$ 22.38	\$ 24.00	\$ 28.89	\$ 31.91	\$ 39.74		
67	\$ 15.04	\$ 22.70	\$ 24.35	\$ 29.31	\$ 32.37	\$ 40.32		
68	\$ 15.25	\$ 23.02	\$ 24.69	\$ 29.73	\$ 32.84	\$ 40.90		
69	\$ 15.46	\$ 23.35	\$ 25.04	\$ 30.15	\$ 33.31	\$ 41.49		
70	\$ 15.68	\$ 23.67	\$ 25.38	\$ 30.57	\$ 33.77	\$ 42.07		

Revised Response to UPS/USPS-T33-67

Allocated Cost

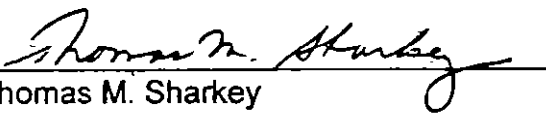
Revised 10/06/97

Including 1 % Contingency

Weight (Pounds)	<u>L.1,2&3</u>	<u>Zone 4</u>	<u>Zone 5</u>	<u>Zone 6</u>	<u>Zone 7</u>	<u>Zone 8</u>
2	\$1.52	\$1.72	\$1.79	\$1.90	\$1.98	\$2.19
3	1.85	2.27	2.40	2.66	2.83	3.24
4	2.06	2.62	2.80	3.15	3.36	3.92
5	2.27	2.97	3.19	3.63	3.90	4.59
6	2.48	3.31	3.59	4.11	4.43	5.27
7	2.69	3.66	3.98	4.59	4.97	5.94
8	2.90	4.01	4.38	5.07	5.50	6.61
9	3.11	4.36	4.77	5.55	6.04	7.29
10	3.33	4.71	5.16	6.03	6.57	7.96
11	3.54	5.06	5.56	6.52	7.11	8.64
12	3.75	5.41	5.95	7.00	7.64	9.31
13	3.96	5.76	6.35	7.48	8.18	9.99
14	4.17	6.11	6.74	7.96	8.71	10.66
15	4.38	6.46	7.14	8.44	9.25	11.34
16	4.59	6.81	7.53	8.92	9.78	12.01
17	4.80	7.16	7.93	9.41	10.32	12.68
18	5.01	7.51	8.32	9.89	10.85	13.36
19	5.22	7.85	8.71	10.37	11.39	14.03
20	5.43	8.20	9.11	10.85	11.92	14.71
21	5.64	8.55	9.50	11.33	12.46	15.38
22	5.85	8.90	9.90	11.81	12.99	16.06
23	6.06	9.25	10.29	12.29	13.53	16.73
24	6.27	9.60	10.69	12.78	14.06	17.40
25	6.48	9.95	11.08	13.26	14.60	18.08
26	6.69	10.30	11.48	13.74	15.13	18.75
27	6.91	10.65	11.87	14.22	15.67	19.43
28	7.12	11.00	12.26	14.70	16.20	20.10
29	7.33	11.35	12.66	15.18	16.74	20.78
30	7.54	11.70	13.05	15.66	17.27	21.45
31	7.75	12.04	13.45	16.15	17.81	22.12
32	7.96	12.39	13.84	16.63	18.34	22.80
33	8.17	12.74	14.24	17.11	18.88	23.47
34	8.38	13.09	14.63	17.59	19.41	24.15
35	8.59	13.44	15.03	18.07	19.95	24.82
36	8.80	13.79	15.42	18.55	20.48	25.50
37	9.01	14.14	15.81	19.03	21.02	26.17
38	9.22	14.49	16.21	19.52	21.55	26.85
39	9.43	14.84	16.60	20.00	22.09	27.52
40	9.64	15.19	17.00	20.48	22.62	28.19
41	9.85	15.54	17.39	20.96	23.16	28.87
42	10.06	15.89	17.79	21.44	23.70	29.54
43	10.27	16.23	18.18	21.92	24.23	30.22
44	10.49	16.58	18.58	22.41	24.77	30.89
45	10.70	16.93	18.97	22.89	25.30	31.57
46	10.91	17.28	19.36	23.37	25.84	32.24
47	11.12	17.63	19.76	23.85	26.37	32.91
48	11.33	17.98	20.15	24.33	26.91	33.59
49	11.54	18.33	20.55	24.81	27.44	34.26
50	11.75	18.68	20.94	25.29	27.98	34.94
51	11.96	19.03	21.34	25.78	28.51	35.61
52	12.17	19.38	21.73	26.26	29.05	36.29
53	12.38	19.73	22.13	26.74	29.58	36.96
54	12.59	20.08	22.52	27.22	30.12	37.64
55	12.80	20.43	22.91	27.70	30.65	38.31
56	13.01	20.77	23.31	28.18	31.19	38.98
57	13.22	21.12	23.70	28.66	31.72	39.66
58	13.43	21.47	24.10	29.15	32.26	40.33
59	13.64	21.82	24.49	29.63	32.79	41.01
60	13.85	22.17	24.89	30.11	33.33	41.68
61	14.07	22.52	25.28	30.59	33.86	42.36
62	14.28	22.87	25.68	31.07	34.40	43.03
63	14.49	23.22	26.07	31.55	34.93	43.70
64	14.70	23.57	26.46	32.04	35.47	44.38
65	14.91	23.92	26.86	32.52	36.00	45.05
66	15.12	24.27	27.25	33.00	36.54	45.73
67	15.33	24.62	27.65	33.48	37.07	46.40
68	15.54	24.96	28.04	33.96	37.61	47.08
69	15.75	25.31	28.44	34.44	38.14	47.75
70	15.96	25.66	28.83	34.92	38.68	48.42

DECLARATION

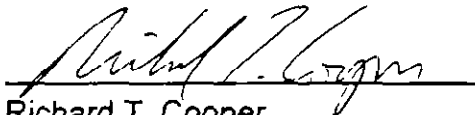
I, Thomas M. Sharkey, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.


Thomas M. Sharkey

Dated: 10/06/97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
October 6, 1997